

U.S. Federal Government Efforts to Promote Alternative Transportation Fuels

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Office of Transportation Technologies**

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Overview

- **Why Use Alternative Transportation Fuels?**
- **What Alternative Fuel Vehicles are Available Now?**
- **Federal Government Legislation, Incentives, and Programs**
- **Information Sources for Alternative Fuels**

Why Use Alternative Fuels?

- **Petroleum Displacement**
- **Energy Diversity**
- **Air Quality Improvement**
- **Greenhouse Gas Emission Reductions**
- **Domestic Economic Development**

Alternative Fuel Vehicles Available Now

- **Electric**
- **Ethanol**
- **Natural Gas**
- **Propane**

Alternative Fuel Vehicle R&D Challenges

- **EV Batteries**
- **Ethanol Production from Cellulose**
- **Reduce Natural Gas and Propane Vehicle Cost**
- **Expand Refueling Infrastructure**
- **Methanol Refueling Infrastructure (for Fuel Cell Vehicles)**
- **Hydrogen Production and Refueling Infrastructure (for Fuel Cell Vehicles)**

Federal Government Legislation, Incentives, and Programs

■ Energy Policy Act of 1992

- Federal Government Vehicles**
- State and Fuel Provider Fleets**
- Private and Local Fleets (To be determined)**
- Set Goals of 10% Motor Fuel Displacement by 2000 and 30% by 2010**

■ Tax Incentives

Federal Government Legislation, Incentives, and Programs (cont.)

- **State and Local Incentive Programs**
 - 133 Projects to Date
 - \$ 10.9 million Spent to Date
 - Submitted by States in Coordination with Clean Cities
- **Voluntary Programs**
 - Clean Cities
- **Public Information Campaign**
- **Training Programs**
- **Labeling and Standards for Fuels and Vehicles**
- **Coordinated R & D**

EPACT Tax Credits and Deductions

- **Vehicle Deductions under EPACT**
 - **Up to \$5,000 / Vehicle 10,001 - 26,000 lbs**
 - **Up to \$50,000 / Vehicle over 26,000 lbs**
 - **Up to \$50,000 / Bus over 20 Passenger**
 - **Up to \$2,000 / Vehicle up to 10,000 lbs**
- **Tax Credit - 10% up to \$4,000 / Electric Vehicle**
- **Up to \$100,000 / Fueling Site**

Based on EPACT Experience, These Incentives are Recommended

- **Forgive Road Taxes for Alternative Fuels; Add Tax to Gasoline to Make Revenue Neutral**
- **Income Tax Credit for Using Alternative Fuels**
- **Tax Break for Non-Petroleum Portion of Any Fuel -- Even Blends**
- **Bigger Income Tax Credit for Buying AFVs**
- **Make Tax Breaks Proportional to Greenhouse Gas Emissions Reduction Potential**

Information Sources for Alternative Fuels

- **DOE Office of Transportation Technologies**
(www.ott.doe.gov)
- **Alternative Fuels Data Center** (www.afdc.doe.gov)
- **DOE & EPA Fuel Economy Website**
(www.fueleconomy.gov)
- **DOE Clean Cities** (www.ccities.doe.gov)
- **EPA Office of Mobile Sources** (www.epa.gov/omswww)